

Exhibit J

Michael Culver

From: Michael Culver
Sent: Monday, June 04, 2007 12:31 PM
To: 'cgorski@nixonpeabody.com'; Scott Major
Subject: Karam Prasad v. Cache

Dear Ms. Gorski:

Please respond today by return email to my email below of June 1.

Michael Culver

-----Original Message-----

From: Michael Culver
Sent: Friday, June 01, 2007 11:34 AM
To: 'cgorski@nixonpeabody.com'; Scott Major
Subject: Karam Prasad v. Cache

Dear Ms. Gorski:

I understand from your secretary that you are presently out of the office. As we discussed on May 29, Cache was to respond to my May 22 letter by May 30 or 31. Please confirm by return email whether that response was sent, and if so, please forward a copy by email. Otherwise, please state a date certain when Cache will respond. Any further delay will be viewed unfavorably given the details set forth in my May 22 letter.

Please respond by copying to my partner, Scott Major, as indicated above.

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Exhibit K

Designer jeans

From Wikipedia, the free encyclopedia

Designer jeans are jeans that were marketed as fashion and status symbols. The Nakash brothers (Joe, Ralph and Avi Nakash) are generally credited with starting the trend when they launched their Jordache line of jeans in 1978. Designer jeans are cut for women and men, available in many sizes, and often worn skin-tight. They typically feature prominently visible designer names or logos on the back pockets and on the right front coin-pocket.

Late '70s to early '80s

During the early rise to prominence of designer jeans, in the late 1970s and throughout the 1980s, it was fairly typical to see fashions for men follow those for women, just as previously women had been the first to wear flared and bell-bottomed trousers. For example, Jordache initially marketed their products to women only, but soon followed with a line for men that was very similar in overall appearance to the women's. Given the general tendency toward bagginess in men's pants today, this male-after-female trend is less noticeable; nevertheless, most jeans companies have offered low-rise cuts for men in recent years, a few of them very low.

Within a few years of the Jordache launch, dozens of other brands were on the market. Among them:

- Sergio Valente
- Sassoon
- Gloria Vanderbilt
- Chic
- Calvin Klein
- Bonjour
- Guess?

Racy, suggestive advertisements promoted many of the brands. The first Jordache commercials, with their "You've Got The Look" campaign, were rejected by the networks as "lewd" and carried only by independent television stations in New York. Other memorable television advertising campaigns of the time included Gloria Vanderbilt advertising her jeans as "a million-dollar look", and Brooke Shields posing in a pair of Calvin Kleins and intoning, "Know what comes between me and my Calvins? Nothing."

Today

- In the late 1980s, designer jeans lost popularity. In the early 2000's, they started coming back into fashion with brands such as AG Jeans, Antik Denim, Beija-Flor Jeans, Blue Cult, Citizens of Humanity, Diesel, Miss Sixty, Evisu, Seven for All Mankind, J & Company, Joe's Jeans, J Brand, Chip and Pepper, Taverniti So, Nudie, True Religion, YanuK, Earnest Sewn, Paper Denim & Cloth, Rock and Republic, Frankie B, People's Liberation, Hudson, 575, Buffalo Jeans, Superfine, Sass & Bide, Siwy, Ksubi, PRPS, Notify, Habitual, Paige Premium Denim, Goldsign, Rich & Skinny, Denim for Immortality, James Jeans, Kasil, Acne, William Rast, 1921, Edun, Farmer Industry, Salt Works, Genetic Denim, Fidelity, Odyn, Oligo Tissew, Red Engine, TAG, Stitch's, DVB Victoria Beckham, and others, typically costing around USD 200 for mid-range jeans and more than USD 500 for higher-end denim. A few of the older brands, namely Jordache, Sergio Valente, and Calvin Klein, are also coming back with the designs that made them popular.
- Calvin Klein reproduced or reissued the old design of loop stitched pocket like the 80's style and named it omega jeans. The differences are the copper rivets at the back pocket were taken out, no double stiches at the both side of the jeans and the back pocket were redesigned with a bit slanting to the egde.

References

- Stern, Jane and Michael (1990). *The Encyclopedia of Bad Taste*. New York: Harper Collins. ISBN 0-06-016470-0.

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Categories: Jeans | 1980s fashion | 2000s fashion

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Exhibit L



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MARKETING January 22, 2007, 11:48AM EST

Riding Hip Jeans into New Luxury Markets

Denim used to be a way for high-end fashion designers to go mass, but a new generation of brands is using \$150 jeans to launch upscale lifestyle brands

by Reena Jana

You might think that for a young brand, netting \$100 million in sales of \$100-plus jeans is a sure sign of success. And indeed, labels such as True Religion ([TRLG](#)), Rock & Republic, Citizens of Humanity, and 7 for All Mankind have graced the pages of fashion bibles like *Vogue* and *Elle*, and are sold in high-end stores from Saks to Barneys New York.

But for this new generation of fashion startups, "premium"—or \$100-plus—jeans are just the springboard for launching upmarket lifestyle brands. Many are entering 2007 by offering expanded lines of clothes, accessories, outerwear, eyewear—even a hotel—that they hope will boost customer loyalty and fully establish them as multicategory brands.

Of course, today's designer jeans phenomenon isn't the first wave of premium denim to hit shelves since the first blue jeans were made, patented, and sold to laborers by Levi Strauss & Co. in 1873. But contemporary premium jeans companies are setting their brands apart from the designer jeans businesses of the 1980s rather than emulating their models.

Premium denim's first wave was led by fashion designers Gloria Vanderbilt and Calvin Klein, well-established names who used jeans to court mass-market audiences. They saw jeans as a less expensive fashion item that could conspicuously display their name on the back pockets. Today's denim executives are deploying the opposite strategy: building high-end brands from the blue jeans up—and using their staggering sales growth to fund luxury clothing and accessories lines.

A NEW STATUS SYMBOL

The success of these ambitious young jeans makers, who have seen sales double or triple in the past year, stands in particular contrast to the fate of the well-known traditional jeans maker, Gap ([GAP](#)), which is floundering (see [BusinessWeek.com](#), 1/5/07, "[Sales Gap at the Gap](#)") with falling sales and talk of a buyout. In fewer than 10 years, these companies have effectively—and collectively—established a new category that's not quite luxury, and not quite downmarket weekend wear, but something in between.

"Consumers now see blue jeans as an investment and will pay more for them. They're a staple in a person's work wardrobe. Steve Jobs of Apple ([AAPL](#)) is always photographed wearing jeans," says James Sullivan, author of *Jeans: A Cultural History of an American Icon* (Gotham Books, 2006).

Sales of premium denim provide proof of jeans' popularity. True Religion, for example, saw net sales increase 41.8%, to \$109.3 million, in the nine-month period ending Sept. 30, 2006, up from \$77.1 million in the same period the year before. These are striking figures, especially compared to those from the company's first year in business. True Religion brought in \$2 million in 2003.

LIFESTYLE BRANDING

The company recently announced licensing agreements for scarves, footwear, and outerwear, making clear its intention to become a global lifestyle brand. And Rock & Republic, which saw estimated growth of 270% in 2006 from its \$100 million sales in 2005, launched an accessories line of men's and women's shoes, bags, and eyewear at the end of last year. The company expects to expand into cosmetics and even a chic Rock & Republic boutique hotel in 2007.

"Adding accessories and clothing to build a lifestyle brand can work for those jeans companies with a strong customer following," observes Marshal Cohen, a retail analyst with market researcher NPD Group. "To be a one-trick pony in today's world is risky and limits growth, which every company in any market is judged on. But the brand has to be strong, otherwise the expansion is capricious."

NPD Group data indicate that department store sales for women's premium denim jeans priced at \$100 and more grew the most among all women's denim categories in the year ending November, 2006. Jeans priced at \$100 and above saw a 23% sales increase, from \$165 million to \$203 million. Jeans priced \$75 to \$99.99 grew 16.9%, to \$55 million.

JUMPING-OFF PLACE

Even denim stalwarts such as Levi Strauss and Guess (GES) sell premium styles to keep up with consumers' demand for higher-end jeans. Levi Strauss sells \$250 jeans in its Capital E line, launched last year.

The line is characterized by more elegant craftsmanship and refined materials—such as 100% organic cotton—than its core line of Red Tab, lower-priced jeans that sell for around \$40. And the average price of women's jeans at Guess stores in the U.S. (see [BusinessWeek.com](#), 12/18/06, "How Guess Got Its Groove Back") is now \$103, reflective of higher-end cottons and more sophisticated styling. That's double the average cost of women's Guess jeans a few years ago.

Although Guess did follow a similar path in the 1980s, starting with denim and then growing into a larger lifestyle brand offering apparel and accessories (including a higher-end line, known as Marciano and named after the company's founding brothers), only recently has it entered the higher-end market for jeans.

The business strategy behind denim's new use as a brand springboard is simple: the product doesn't require much risk, in terms of audience demand, design complexity, or even startup costs.

A DESIGN YARDSTICK

"The longstanding success of the blue-jeans business is that it's a relatively easy market to get into," observes James Sullivan. "It's a proven category. There's low overhead. The design, for example, is a classic fashion staple. You start with the standard Levi's 501 and add distinguishing traits, such as back pocket stitching or seams."

Seven for All Mankind jeans, for example, feature characteristic—and much imitated—swoosh embroidery on back pockets. (The downside is that such details are easily knocked off by lower-market brands. In addition, there's intense competition among increasing numbers of companies with similar products.)

In any case, compared to launching a full clothing line, countless design hours can be saved. The silhouette and construction of jeans change slightly, yes, from lower waistbands to skinnier legs, but the basic construction of pant legs, pockets, belt-loops, and fly generally stays the same. Not to mention that cotton denim pants are less expensive for a young brand to produce than, say, a handbag made of buttery leather.

But not all premium denim labels are moving upmarket as a strategy for business growth. Paper Denim + Cloth, a maker of exclusive jeans once in the \$100-plus range, is maneuvering in the opposite direction.

In mid-2006 the company began focusing on mass-market sales in the \$80 to \$90 range, taking it out of the "premium" category. At first, says CEO Chris Gilbert, he was interested in developing a low-priced second line—think Isaac Mizrahi for Target ([TGT](#)).

But keeping the Paper Denim + Cloth name "kept us from doubling our overhead and bringing in a second design team," says Gilbert. "Plus we realized we'd have instant recognition if we kept the same brand. We wanted to build on the cachet we've built over six years in business."

MASS-MARKET DIRECTION

Gilbert says that the high quality of the jeans hasn't changed, the same premium cottons are used, but that they can offer the lower price-point by shifting manufacturing from Kentucky to the Dominican Republic, where all of the company's jeans will be made.

Paper Denim + Cloth now has a distribution deal, which started in June, 2006, with Federated Department Stores (FD), the largest conglomerate of department stores in the U.S. and operator of Macy's, Bloomingdale's, and other chains. The move broadens the range of customers from a boutique audience to a wider demographic.

And although the company is going downmarket, it is also following the lifestyle trend among its competitors by launching outerwear, sweaters, shirts, and other items targeted to a more mass-market audience.

Critics might see lowering price points and a larger distribution as brand dilution, but Paper Denim + Cloth's strategy reflects one of the realities of the denim marketplace: Although lower-priced women's jeans saw dips in department store sales in the year ending in November, 2006 (according to NPD Group), these lower price points still generate more overall revenue than their higher-end rivals. Jeans selling for \$25 to \$49.99, for instance, saw the biggest dip in annual department store sales, down 22.9% to \$283 million, but that's still \$80 million more than the total sales of \$100-plus jeans.

The key for Paper Denim + Cloth and the more expensive premium-denim labels alike as they expand will be to keep their brands consistent and distinctive. As they translate their casual-chic brand identities into numerous new products and begin to compete with more established lifestyle brands such as Polo Ralph Lauren (RL), these premium-denim companies face a design and marketing challenge that will require more than just fancy stitching on back pockets.

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August 28, 2005
 Jeans Engineering
 By ROB WALKER

Prps Jeans

By the 1950's, Paul Fussell suggested in his book "Uniforms," wearing blue jeans "became one of the pop styles of anti-fashion." And thus, unavoidably, jeans promptly became "just as much a uniform as the dark suit." Since then, fashion types have tried to liberate denim from bourgeois casual-Friday uniformity; a current attempt comes from the growing swarm of "premium" and "superpremium" jeans.

Donwan Harrell, a founder of the clothing brand Akademiks, is a denim fanatic and can go on in some detail about his newest project, a premium denim line called Prps, which includes jeans that cost \$250 to \$400 a pair. The brand's target buyer is not the person who rejects fashion but the denim supersnob: the type who studies interior stitching and other things that no one else notices. The production run for Prps jeans is quite small, and they are available only in men's sizes, although there will be nine new styles for the fall. Prps is sold in boutiques and a few high-end department stores and is equal parts reaction to and example of the present denim frenzy.

Earlier iterations of the high-end jeans idea were mostly about slapping an established designer's name (Calvin Klein, etc.) onto the back pocket. Tim Bess, who covers men's wear for the Doneger Group, a fashion consulting firm, says the contemporary fancy-jeans consumer wants something different. The premium hits -- True Religion, G-Star and 7 for All Mankind -- made "detailing more important than the actual logo," he says. On the other hand, he notes, their success "has a lot to do with the back pocket," since the designs are recognizable to those in the know. And, really, isn't a distinct pocket the same thing as a logo?

Still, one of the core principles of premium jeans is the inherent quality of the garment. And Harrell offered me a detailed chart to demonstrate exactly why his jeans cost so much. For starters, mass-market jeans are made in China, and many premium rivals are made in California, but Prps are manufactured in Japan. So what? Well, the Japanese manufacturer uses Levi's looms from the 1960's. These are less efficient than more modern looms but produce a fabric with a stronger edge. Along with a cutting process that wastes a lot of material, this helps to drive up the cost of fabric per jean to \$30 (compared with \$5.25 in China).

The cloth-making process, Harrell says, was inspired by the denim worn by actual workers before jeans became middle-class leisure wear. So were the details that seem to be the most crucial component of premium denim: the flaws. The process of making denim look 2, 5 or even 20 years old is touted by some jeans makers in long-winded tags that seem designed to "educate" the consumer -- like a pair of Paper Denim & Cloth jeans explaining that "individually applied hand abrasion and scraping," among other things, were inflicted on the denim for an "average processing time" of 6.4 hours. Harrell has studied his own worn-out jeans and the ones worn by mechanics he deals with while drag-racing to guide the production of holes, fading and even the occasional "organic" greasy smear. This process, he says, pushes production costs to \$95 a pair.

Chinese and American-made jeans (produced for \$19.20 and \$43 a pair in Harrell's estimation) introduce flaws with far less care, he argues, pointing to creases and marks in various rival denims that are "not realistic." Only by faithfully replicating the damage caused by physical work can the haute-couture demands of dedicated denim connoisseurs be satisfied.

Bess, the men's-wear consultant, suspects that high-end denim is poised for a shakeout, with the likes of Old Navy imitating premium tropes that will probably satisfy people who aren't experts (that is, the overwhelming majority of the shopping public). Harrell intends to keep Prps premium and rare. Interestingly, he makes no claim that a pair

of Prps might actually last longer than other jeans. But while denim fanatics may like the idea of a stronger fabric, the reality is that they will move onto new styles long before actual durability becomes an issue. For them, settling for anything less than the latest premium breakthrough would be like being out of uniform.

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